

Staff Report: A Proposed Municipal Service District in Downtown Durham

March 18, 2011

Executive Summary

A Municipal Service District (MSD), commonly referred to as a Business Improvement District (BID), is being proposed for the Downtown Durham area. A BID is a defined geographic area where property owners pay an additional tax in order to fund a variety of services that enhance, not replace, existing municipal services within the district's boundaries. This Staff Report includes an attached document entitled G.S. 160A-537(b): Report for the Downtown Durham Municipal Services District, which has been prepared by Downtown Durham, Inc. for the City of Durham ("DDI Report") and is provided here as "Attachment B". This Staff Report has been prepared as part of the public review process for establishing a Municipal Service District in Downtown Durham. This public review process is in accordance with the Municipal Service District Act of 1973 (the "Act") contained in Article 23 of Chapter 160A of the North Carolina General Statutes.

This report is being made available for viewing in the City Clerk's Office, 2nd Floor of Durham City Hall – 101 City Hall Plaza through April 18, 2011. An electronic copy of the report is also available on the City of Durham website at <http://www.durhamnc.gov/departments/clerk/>. The report contains the following information:

- 1) a map of the proposed district, showing its proposed boundaries (Attachment A);
- 2) a statement explaining why the proposed district is in need of one or more of the services, facilities, or functions provided for under the Act to a demonstrably greater extent than the remainder of the city; and
- 3) a plan for providing in the district one or more of the services designed to address the special needs within the BID.

Statement of Need for BID

As discussed on page 4 of the DDI Report, there are multiple reasons why there is a demonstrably greater need for special services inside the proposed BID boundary over other areas within the city. Most notably, the BID includes areas of downtown Durham that been targeted for redevelopment and revitalization in recent years, and it is desired that such activities be fostered and encouraged uniformly over the entire BID for the overall economic health of

downtown Durham. The geographic area of the proposed BID comprises different core units of downtown that share special connectivity, which can be reinforced by the establishment of the BID.

The BID area continues to grow as a primary area of destination causing a greater intensity of pedestrian traffic than in other areas of the city. With projects like the Durham Performing Arts Center (DPAC) and other cultural and recreational amenities such as the Carolina Theater, the Durham Bulls Athletic Park, the CCB Plaza, the Downtown Durham Marriott and Civic Center, American Tobacco Campus, Brightleaf Square, Golden Belt and the openings of numerous restaurants throughout the proposed BID area over the past several years, downtown has experienced a marked increase in pedestrian intensity and activity, which is anticipated to continue.

There has also been a significant increase in the number of downtown residents over the past several years. In order to better nurture the revitalization activities within the BID, foster continued economic growth and health of downtown Durham and effectively support the increase in pedestrian activity, there is a demonstrable need for special services such as the following:

- 1) an increase in street-level, appearance-related services, such as frequent sidewalk cleaning, and pressure-washing;
- 2) hospitality services, such as “ambassadors” that would direct people to key downtown sites and services within the BID;
- 3) increased directed marketing and promotion of downtown attractions within the BID;
- 4) more concentrated special event services;
- 5) more concentrated economic development activities that build upon the momentum of existing development and leads to job creation, tax base growth and more downtown activity.

The research shows that BIDs are vehicles that have been used to provide such upgrades in services in many U.S. cities, including 82 of the largest 85.

Services to be Provided Under the MSD or BID

This is covered in detail from pages 8 – 9 of the DDI Report. In summary, the services to be provided include the following:

- 1) Marketing
- 2) Economic Development
- 3) Special Events

- 4) Clean and Green Services (services geared toward improving and maintaining the appearance of downtown)
- 5) Public policy analysis
- 6) Assistance with public safety provided through the provision of helpful information to public safety officers, working with the homeless, aggressive panhandlers, etc.; and through electronic linkages with police

Plan for Service Delivery and Administration





This is covered in detail on page 10 of DDI Report. In summary, it is intended that the City will contract for the services to be administered by Downtown Durham, Inc. – a 501(c) – 6 organization that has been in existence in downtown since 1993.

Tax Rate

Downtown property owners would be assessed \$.07 per 100 of assessed value for real and personal property. For example - at \$100,000 of tax value the annual cost for tax payer equals \$70 per year).

Proposed Downtown Business Improvement District



-  Parcels within Proposed Downtown BID
-  Other Tax Parcels
-  Railroads
-  Proposed Downtown BID

